



July 18, 2023

The Honorable Kay Granger
Chair
House Committee on Appropriations

The Honorable Rosa DeLauro
Ranking Member
House Committee on Appropriations

The Honorable Chuck Fleischmann
Chair
Subcommittee on Energy and Water

The Honorable Marcy Kaptur
Ranking Member
Subcommittee on Energy and Water

Dear Chair Granger, Ranking Member DeLauro, Chair Fleischmann, and Ranking Member Kaptur,

Thank you for including \$200 million for the Appalachian Regional Commission (ARC) in the FY24 House Energy and Water Appropriations Bill.

Further action is still needed from appropriators to ensure that ARC's local partners receive funding in FY24.

In FY22 and FY23, appropriators included report language in the final Energy and Water appropriations explanatory statement that reads: **"The agreement provides \$8,000,000 for Local Development Districts."**

In FY24, we encourage you to include report language that once again directs at least a minimum of \$8 million to Local Development Districts (LDDs) in the final FY24 Energy and Water appropriations explanatory statement for Appalachian Regional Commission funding.

The inclusion of this language is important to ensuring that ARC's core partners at the local level – the Local Development Districts – receive sufficient funding. While overall ARC funding has increased substantially through annual appropriations and through the Bipartisan Infrastructure Law, ARC funding for Local Development Districts' administrative expenses have been held nearly flat for many years. The increase from \$6.2 million to \$8 million for LDDs in the FY22 and FY23 appropriations bills began to respond to the funding shortfalls experienced by LDDs, but continued annual increases are needed to make up for many years of flat funding.

Throughout ARC's 13-state service area, Local Development Districts administer project funding, assist with project implementation, help other local stakeholders apply for ARC grants, facilitate workforce development and job creation, conduct strategic community planning work, and help local ARC grantees steward federal funding properly.

Without report language directing funding to LDDs, there is no specific direction provided to ARC on what funding levels these local partners should receive.

On behalf of the more than 70 Local Development Districts throughout the ARC region, we urge the Committee to ensure that ARC's local partners – the LDDs – are funded at a level that protects and strengthens them in FY24.

Sincerely,

Joe McKinney
Executive Director
The National Association of Development Organizations